

## Masteel anticipates higher steel bar sales in 2015

- *Spurred by expanded capacity in mid-2015 and sustained domestic demand*
- *4Q14 net profit rose 24.5% to RM4.5 million, on revenue growth of 11.4% to RM392.2 million*

Petaling Jaya, Malaysia, 27 February 2015 - Integrated steel manufacturer Malaysia Steel Works (KL) Bhd (**Masteel**, 马来西亚钢厂（吉隆坡）有限公司, Bloomberg: MSW MK; Reuters: MSWK.KL) is anticipating steel bar sales to increase in 2015, which would enhance the Group's financial performance for the current financial year ending 31 December 2015 (FY2015).

Demand for steel bars is expected to be underpinned by the robust domestic construction industry, stemming from substantial investments into development projects from both the public and private sectors.

“Our optimistic sales outlook of steel bars in 2015 is anchored by the expected sturdy growth in the domestic construction industry. This is especially true given the Government's unchanged allocation of RM48.5 billion for major infrastructure projects, such as new highways and the Mass Rapid Transit lines under the revised national budget.

Furthermore, our new rolling mill is targeted to come on-stream in mid-2015, immediately boosting our overall steel bar production capacity to 550,000 MT per year, from 450,000 MT per year currently.

The anticipated sales growth, expanded production capacity, and declining prices of our key raw material of scrap metal, should translate into better financial performance for the Group in FY2015.”

***Dato' Sri Tai Hean Leng (拿督斯里戴贤龙)**  
**Managing Director and CEO of Malaysia Steel Works (KL) Bhd***

Masteel had invested RM100 million into a new rolling mill in Bukit Raja. With its ongoing focus on improving operational efficiency, the new rolling mill is expected to eventually increase the Group's overall production capacity to 650,000 MT per annum by 2016.

Results for fourth quarter (4Q14) and full year ended 31 December 2014 (FY2014)

Masteel's 4Q14 net profit leaped 24.5% to RM4.5 million from RM3.6 million previously, on revenue growth of 11.4% to RM392.2 million from RM352.0 million previously.

The strong performance was attributed to higher sales of steel bars and enhanced manufacturing efficiency.

For FY2014, revenue rose 5.6% to RM1.5 billion from RM1.4 billion previously.

Group net profit was 41.5% lower at RM15.8 million in FY2014 from RM27.0 million a year ago. The lower profit was primarily due to a one-off deferred tax adjustment of RM8.9 million in the third quarter of FY2014.

On Masteel's proposed Iskandar Malaysia Commuter rail project via its joint-venture company Metropolitan Commuter Network Sdn Bhd, the Group remains positive of realizing the project.

Masteel had, in January 2015, submitted an updated project proposal to the Ministry of Transport for its review. Additionally, the Group is in the midst of discussions with several potential investors to secure project funding.

"We continue to hold productive discussions on the commuter rail project with various key stakeholders, and all parties are committed towards its eventual success," concluded Dato' Sri Tai.

| Financial Summary (Unaudited Consolidated Results) |                     |                     |        |                     |                     |         |
|--|---------------------|---------------------|--------|---------------------|---------------------|---------|
| RM'000   | 4Q14 to<br>31.12.14 | 4Q13 to<br>31.12.13 | Change | FY14 to<br>31.12.14 | FY13 to<br>31.12.13 | Change  |
| Revenue  | 392,169             | 351,961             | 11.4%  | 1,451,933           | 1,375,441           | 5.6%    |
| Pre-tax Profit                                     | 6,186               | 4,047               | 52.9%  | 28,108              | 28,957              | (2.9%)  |
| Net Profit to Shareholders                         | 4,515               | 3,626               | 24.5%  | 15,797              | 27,014              | (41.5%) |
| Basic EPS (sen)                                    | 1.99                | 1.66                | 19.9%  | 6.98                | 12.38               | (43.6%) |



*Dato' Sri Tai Hean Leng, Managing Director and CEO of Malaysia Steel Works (KL) Bhd*



*Masteel's new rolling mill in Bukit Raja, targeted to come on-stream in mid-2015*

## **About Masteel**

Malaysia Steel Works (KL) Bhd, listed on the Main Market of Bursa Malaysia Securities Berhad, is one of the top five integrated steel companies in Malaysia. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets.

It has 68 domestic dealers and several international trading houses as partners in Australia, New Zealand, Indonesia, Singapore, Thailand, Vietnam and the Philippines.

**Masteel** has vast experience in the operations & maintenance of the latest process technologies and automation systems with over 40 years of track record of managing European-made steel mills and industrial plants.

**Masteel** was awarded the “BestBrands Award 2012-2013 in Manufacturing - Steel”, “BestBrands Signature Award 2013-2014 in Manufacturing - Steel”, and Masteel’s MD/CEO Dato’ Sri Tai Hean Leng was awarded the “Brand Personality Awards 2012-2013” by The BrandLaureate.

In 2014, **Masteel** was ranked number 75 in the list of Malaysia’s Top 100 brands compiled by Brand Finance Plc U.K, valuing the Masteel brand at USD26 million (RM 92.3 million).

Issued for and on behalf of MALAYSIA STEEL WORKS (KL) BHD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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